THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.11459 OF 2007

ORAL ORDER:

This writ petition is filed seeking a declaration that the proceedings initiated by the respondent-Bank under Section 13(4) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short "the Act"), thereby bringing the properties in question to sale, scheduled to be held on 7.6.2007, as arbitrary and illegal.

It is not in dispute that the petitioner availed a loan from the respondent-Bank and committed default in repayment of the same. The respondent-Bank having invoked the provisions of the Act, issued notice under Section 13(2) of the Act on 20.9.2006 calling upon the petitioner to discharge its liability within 60 days, failing which rights under Section 13(4) of the Act would be exercised. Having received the said notice, the petitioner made a representation dated 16.4.2006 requesting for rescheduling the loan. It appears that the petitioner also made similar representations on 11.12.2006 and 21.2.2007. In the meanwhile, notice under Section 13(4) of the Act was issued on 18.1.2007. At that point of time, the petitioner filed W.P.No.3663 of 2007 seeking a mandamus declaring the inaction of the respondents in considering its representations to reschedule the instalments as arbitrary and illegal. The said writ petition was disposed of by this Court by order dated 26.2.2007 with a direction to the respondents to consider and dispose of the representations of the petitioner dated 16.11.2006, 1.12.2006 and 21.2.2007 expeditiously in accordance with law. It was also observed by this Court in the said order that the petitioner did not assail the proceedings initiated against it under the provisions of the Act, but only sought for consideration of its representations for reschedulement. A copy of the letter dated 12.3.2007 placed before this Court by the petitioner shows that in

compliance of the order of this Court in W.P.No.3663 of 2007, the respondent-Bank had considered the request of the petitioner and informed the petitioner that the reschedulement of the loan as sought by it cannot be granted and that the petitioner was also advised to pay the dues immediately, failing which the respondent-Bank would be constrained to take further steps for sale of the secured asset. Since the petitioner failed to respond, the respondent-Bank issued auction notice dated 26.4.2007 proposing to sell the secured asset in the auction scheduled on 7.6.2007. Questioning the said action, this writ petition has been filed on 4.6.2007.

From the events narrated above, it is clear that the petitioner was given ample opportunity from time to time to repay the amounts due. It is also relevant to note that the petitioner has never disputed its liability, but only sought for reschedulement of loan, which was not accepted by the respondent-Bank. Though the said fact was informed to the petitioner long back on 12.3.2007, and the petitioner was also put on notice about the consequences in the event of its failure to discharge the loan, the petitioner did not choose to question the action of the respondent, but filed the present writ petition at the fag end of the proceedings apparently, to stall the proposed sale and to drag on the recovery proceedings. Viewed from any angle, the writ petition does not appear to be *bona fide* and cannot be entertained.

The writ petition is accordingly, dismissed. No costs. However, this shall not preclude the petitioner to avail the remedies available under the statute, if so advised, for redressal of his grievance it any.

(G. ROHINI).

6th June, 2007.
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THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.11459 OF 2007

6th June, 2007.

Between:

M/s Invent Agro Products Pvt. Ltd.,
Nagayalanka Road, Chellapalli (V & M),
represented by its Managing Director,
Yakkati Diwakar. .. Petitioner.

And

Allahabad Bank, represented by its
Auithorised Officer,
Allahabad Bank Zonal Office,
Main Road, Himayathnagar,
Hyderabad and others. .. Respondents.